Two Tower Center Blvd. 10th Floor East Brunswick, New Jersey 08816

CHEMICAL LAND HOLDINGS, INC.

February 26, 2002

The Honorable Jane Kenny US Environmental Protection Agency 290 Broadway New York, New York 10007-1866

In Re: Passaic River

Dear Madam Administrator:

Thank you again for the opportunity to meet with you and members of your staff on Tuesday. We appreciate your interest in the Passaic River Restoration Initiative and your willingness to meet with us again in six months to review the status at that time. In the meanwhile, we look forward to working with you as appropriate and with Bill McCabe as our day-to-day contact on the PRRI.

As discussed, we remain committed to continuing to perform the RI/FS agreed to in the Passaic River Administrative Order on Consent, and to continued cooperation with EPA. We respectfully request that EPA rescind its year-old directive of January 16, 2001, that CLH suspend work on the risk assessment, sediment transport, modeling, and treatability. We welcomed your explanation that the Agency is meeting internally to review and discuss these matters and that you expect EPA will be ready to confer about next steps with us in the near future. As we explained, the Combined Sewer Overflow sampling and surface water sampling (which are essential to assess during the feasibility study and are a key pathways in the risk assessment) will take about a year - - these need to commence at the earliest possible time, and we are working with your staff now to move to that point as quickly as possible.

We commend the Agency's recent renewed efforts to identify and notify additional PRPs and we are available to provide any assistance EPA might find helpful. As we discussed, it takes some length of time to move PRPs past denial of liability and then beyond expectations of a di minimus role to the point where they participate fully in the process. We also look forward to learning EPA's strategy for bringing PRPs into the PRRI, an integral component of this initiative so as not to let any polluter off the hook.

As to the PRRI, CLH asks that it be included in regular meetings among EPA, the Corps and the State. As the only cooperating PRP on the Passaic River, we have a tremendous wealth of knowledge and we can be of considerable assistance in Trenton and Washington in supporting and advancing this important initiative, one in which Region 2 can be the national leader in demonstrating how to address contaminated sediments effectively and efficiently.

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Finally, we urge that Region 2 enter a memorandum of understanding with the Corps of Engineers to facilitate work on the PRRI, and hope this can be accomplished soon.

Again, thank you for your time and courtesy last week. It was a pleasure to meet with you and your extremely well qualified staff, and we look forward to working with you.

Very truly yours,

Dave Rabbe President